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# Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EB-07 OC-05 CCO-00 /025 W
---------- 094623
R 141344Z JAN 76
FM AMEMBASSY BUDAPEST
TO SECSTATE WQSHDC 5036
USDOC WASHDC

UNCLAS BUDAPEST 0122

EO 11652: N/A
TAGS: BEXP BTIO BAGB HU
SUBJECT: MAJOR PROJECT: HUNGARIAN MEAT PROCESSING PLANT AT KAPOSVAR

REF 75 STATE A-7008

1. EMBASSY HAS RECEIVED TENDER DOCUMENTS FOR MAJOR TURNKEY MEAT PROCESSING AND CANNING PLANT TO BE LOCATED AT KAPOSVAR IN SOUTHERN HUNGARY. NEW EXPORT-ORIENTED PLANT ESTIMATED TO COST $30-40 MILLION.

2. AS WASHINGTON WELL AWARE, HUNGARY ALREADY SUCCESSFULLY EXPORTS CANNED HAM TO U.S. AND INCREASED SALES OF MEAT PRODUCTS EXPECTED IN NEW FIVE-YEAR PLAN. HAM SALES IN 1974 TOTALED $7.3 MILLION AND REACHED $9.5 MILLION IN FIRST TEN MONTHS OF 1975.

3. PLANT WILL PROCESS SOME 40,000 HOGS ANNUALLY AND MUST MEET USDA REQUIREMENTS. "KOMPLEX" (HUNGARIAN TRADING COMPANY FOR FACTORY EQUIPMENT), FROM WHICH EMBASSY OBTAINED TENDER, STATES THAT IT WOULD WELCOME A U.S. GENERAL CONTRACTOR FOR THIS MAJOR PROJECT. DUE TO LACK OF MFN AND SERVICING CONSIDERATION BULK OF FOREIGN EQUIPMENT REQUIRED WOULD PROBABLY COME FROM WESTERN EUROPE WHERE U.S. SUBSIDIARY PRODUCING USDA APPROVED EQUIPMENT WOULD PROBABLY FARE WELL.

4. ONE COMPLETE THOUGH BULKY SET DETAILED PLANS AND ENGLISH LANGUAGE SPECS FOR PROPOSED PROJECT AIR POUCHED
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BEWT'S MONA LEVINE UNDER REGISTRY NO. 1514352.

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5. KOMPLEX WILL ACCEPT TWO FORMS OF PROPOSALS FROM INTERESTED FIRMS: (A) ACCORDING TO THE DOCUMENTS AS POUCHED; OR (B) NEW SUGGESTIONS ON THE WHOLE PROJECT OR PART OF IT. OFFERS MUST REACH KOMPLEX BY MARCH 31, 1976. GENERAL CONDITIONS FOR THE TENDER WILL BE PROVIDED AT A LATER DATE.

6. IN ORDER TO PROVIDE PROMPT REPLIES ON ANY QUERIES WHICH INTERESTED U.S. FIRMS MAY HAVE, KOMPLEX SUGGESTS THAT QUESTIONS BE SENT DIRECTLY TO: THE HUNGARIAN MEAT TRUST, SZECHENYI UTCA 14, 1054 BUDAPEST V, HUNGARY, ATTN: OSZKAR IPSICH, HEAD OF TECHNICAL DEPARTMENT, ISTVAN CSATO, TECHNICAL ADVISER, WHICH HAS GENERAL RESPONSIBILITY FOR THE PROJECT. INTERESTED U.S. FIRMS SHOULD INFO COMMERCIAL ATTACHE, AMEMBASSY BUDAPEST, FOR APPROPRIATE FOLLOW-UP ASSISTANCE. EMBASSY HAS ADDITIONAL SET OF ALL DOCUMENTS WHICH MAY BE VIEWED HERE.

7. FYI: U.S. FIRM A. EPSTEIN COMPANIES, INC. (WHICH HAS SUCCESSFULLY CARRIED OUT SIMILAR PROJECTS IN POLAND) SERVED AS CONSULTANT IN DRAWING UP PROPOSED KAPOSVAR PLANS. BOTH EPSTEIN AND SWIFT HAVE BEEN PROVIDED TENDER SPECS DIRECTLY BY KOMPLEX.

8. ACTION REQUESTED: EMBASSY SEEKS BEWT'S ASSISTANCE IN COORDINATING PUBLICITY OF THIS MAJOR PROJECT TO QUALIFIED U.S. GENERAL CONTRACTORS WITH WIDE EXPERIENCE IN MEAT PROCESSING PROJECTS. KOMPLEX REQUESTS AND EMBASSY PROMISED TO PROVIDE NAMES OF FIRMS CONTACTED BY BEWT.

9. DUE TO RELATIVELY SHORT LEAD TIME SUGGEST U.S. FIRMS SERIOUSLY INTERESTED IN KAPOSVAR VENTURE SEND REPRESENTATIVE TO HUNGARY FOR DISCUSSIONS AND ON SITE ASSESSMENT. COMMERCIAL ATTACHE AND ASSISTANT WILL ATTEMPT VISIT KAPOSVAR IN NEXT FEW WEEKS TO BETTER ASSIST ALL U.S. FIRMS WHICH MAY WISH TO BID ON THIS MAJOR PROJECT.
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